

Federal paperwork

President Ford has announced that he will appoint 8 persons to the new **Commission on Federal Paperwork**. One of the appointees is Esther Peterson, consumer adviser to Giant Food Co. & former Special Assistant to President Johnson for Consumer Affairs.

The commission will review statutes, policies, rules, regulations, procedures & practices of the Federal Government relating to information gathering, processing & dissemination as well as the management & control of these activities.

Mrs. Peterson's special interest in serving on the commission is the paperwork problem that consumers face in dealing with Federal agencies. Mrs. Peterson's mailing address is P.O. Box 1804, Washington, DC 20013.

Warning!

● **CARS—National Highway Traffic Safety Administration (NHTSA)** warns owners of "Slide-in" or "Cap-type" truck-camper vehicles to inspect exhaust system tailpipes & tailpipe connections. Carbon monoxide exhaust poisoning caused 4 deaths when camper occupants were resting inside camper units with vehicle engine running.

WHAT TO DO: Inspect vehicle exhaust system, whether unit is homemade or commercially designed. Be sure that vehicle tailpipe length is adequate to bring exhaust out from under both truck & camper, & that all exhaust system connections & parts are leak-proof.

Energy tips

If you have a laundry tub next to your washer, save the hot sudsy water from the wash to clean barbecue grills, garden tools, oven racks, etc. You'll save water, soap & energy.

Don't block cold air returns for central air conditioners with furniture or drapes. If drapes cover the return, pin them up above the cold air vent.

If you have a room air conditioner, be sure that the fresh air inlet (used for bringing in outside air to replace stale room air) is closed during hottest part of day. It takes more energy to cool hot outside air than to cool & recirculate inside air.

consumer news

DEPARTMENT OF HEALTH, EDUCATION & WELFARE

Office of Consumer Affairs
Virginia H. Knauer, Director

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It doesn't add up

Item: Most consumers cannot balance their checkbooks correctly.

Item: Few consumers can accurately determine the most economical size of a product.

Item: Many people have difficulty figuring their income taxes correctly.

These are some of the findings of a recent study of consumer mathematics achievement conducted by the National Assessment of Educational Progress (NAEP) & released in July. In measuring the ability of consumers to relate math skills to consumer issues, NAEP assessed about 34,000 17-year olds & 4,200 adults (ages 26-35) & found that:

- Less than a half of the 17-year-olds & adults could successfully determine the most economical size of a product.

- Only 1% of the 17-year-olds & 16% of the adults could balance a checkbook.

- 45% of the adults did not read a Federal income tax form correctly & compute their taxes.

- Only 10% of the 17-year-olds & 20% of the adults could correctly calculate a taxi fare.

According to Virginia Knauer, Special Assistant to the President for Consumer Affairs, who released the study: "The report brings home the hard fact that consumers do not have the math skills necessary to solve the day-to-day purchasing problems we face in today's economy. Yet the importance of developing these skills is indisputable. Whether we're talking about the effective use of measurements, the ability to figure taxes & the ability to compare prices & determine costs, the message is still the same: The consumer must be equipped with the tools necessary to make reasoned buying decisions. Without these skills, consumers will continue to rely mainly on hunches & advertising jingles in their purchases—a trend that must be reversed if consumers are going to use their economic power effectively in today's marketplace."

The study shows that males out-scored females in solving consumer math problems. Although it is usually assumed that women do a major part of the buying, males out-performed females on every exercise involving buying & household situations.

NAEP is funded by **National Center for Educational Statistics** & is a project of Education Commission of the States. While NAEP does not make recommendations for change (based on the findings of its studies), its data indicate areas of strengths & weaknesses both in overall national performance & in performance by different population groups. This information is then used by government & educators to help set new policies.

For further information about the study or a copy of the report (\$1.05) write to: National Assessment of Educational Progress; 700 Lincoln Tower, 1860 Lincoln St., Denver, CO 80203.

Recalls

● **SOUP—Food & Drug Administration (FDA)** announces recall of all lots of "Crosse & Blackwell Lobster Bisque with Sherry." Manufactured by Libby, McNeil & Libby, Chicago, IL. Recalled by Gerber International Foods Corp., White Plains, NY. Company estimates that approximately 38,784 cans were distributed. Reason: Cans may be contaminated with bacteria (staph enterotoxin).

WHAT TO DO: Return unopened cans to stores.

● **PACEMAKERS—Food & Drug Administration (FDA)** announces that General Electric Co., Medical Systems Division, Milwaukee, WI, is recalling its Sentry 75, Model A2075 Implantable Pacemaker. Lot numbers: 936515, 936544, 936606, 936660, 936864, 936866, 936868, 936884, 936885, 936923, 936957, 936960, 936961, 937022, 937065 & 937181.

This is a stand-by pacemaker which stimulates the heart only when needed. The problem involves the epoxy used to seal the Pacemakers. Because epoxy was defective, body fluids can seep into units & might cause premature battery failure.

WHAT TO DO: Firm notified physicians that patients must be checked daily & that if pulse rate decreases, unit should be replaced.

Warning!

● **MICROWAVE OVENS—Food & Drug Administration (FDA)** announces that General Electric Co. (GE) will correct defects in 12,500 microwave ovens (manufactured from January 1972 through June 1973) that could leak as much as 10 times the microwave radiation allowed by Federal standards.

This announcement is in addition to an earlier FDA action on 5,300 microwave ovens made by GE from July through November 1973 [CONSUMER NEWS: June 15].

Ovens involved in this announcement are GE & GE-Hotpoint microwave-thermal oven-range combination units called "Cooking Centers" or "Versatronic," carrying GE model numbers J896002, J896003, J856003 & J856004; & Hotpoint model numbers RHV-886002 & RHV886003.

WHAT TO DO: Discontinue microwave cooking until ovens are checked.

New state of real estate news

All real estate buyers, sellers & lenders must conform to the provisions of the new Real Estate Settlement Procedures Act (RESPA) when the sales transaction includes a mortgage involving a Federal related loan (such as a **Federal Housing Administration** backed mortgage or a **Veterans Administration** backed loan).

Principal features of RESPA are:

● **Advance disclosure of settlement costs—**Lender must provide advance disclosure of settlement costs to both buyer & seller. This provision is to increase competition among settlement services by giving buyers & sellers time to "shop around" for the "best" deal.

● **Uniform settlement statement—**This is **Housing & Urban Development Dept. (HUD)** Form 1, which must be used in all areas of the country; it itemizes most charges imposed on buyer & seller in connection with real estate settlement.

● **Distribution of settlement costs information booklet prepared by HUD—**This must be made available by the lenders to help buyers & sellers to better understand the uniform settlement statement.

● **Disclosure of previous selling price (in certain cases)—**Lender cannot make a Federal related mortgage loan on a family residence more than one year old when the seller (1) has not owned the property for at least 2 years & (2) has not used the property as a place of residence. However, the lender can make an FHA or VA backed loan if the seller has disclosed to the buyer the date & purchase price of the property & the cost of any improvements. This provision is intended to prevent excessive price hikes by investors & speculators.

● **Prohibition against fees other than for services actually performed & against kickbacks.**

● **Prohibition against seller selecting the settlement company—**Seller cannot require that the buyer get title insurance for the property from any particular title company.

● **Limitation on the amount of escrow for taxes & insurance.** For further explanation of RESPA provisions—& exceptions—consult HUD's information booklet—*Settlement Costs & You: A Guide for Homebuyers*. RESPA requires that you receive a copy of the booklet when a savings & loan association (or other lender) accepts your application for a mortgage loan.

Supreme Court says . . .

In recent decisions of special interest to consumers, **Supreme Court** took the following actions:

● Ruled that the president of a supermarket chain was responsible for violations of the Federal food & drug laws resulting from unsanitary conditions in a company warehouse. (*United States v. Park*, Case #74-215)

● Ruled that potential stock purchaser, who was discouraged from buying by a pessimistic prospectus issued by the stock seller, cannot later sue the seller for damages for misrepresentation in connection with the offering. (*Blue Chip Stamps v. Manor Drug Stores*, Case #74-124)

● Ruled that an unemployed parent cannot be forced to accept unemployment insurance benefits at the expense of losing welfare payments under the dependent children program. Unemployed parent has the option of choosing between either unemployment benefit or welfare payment. (*Philbrook v. Glodgett*, Case #73-1820)

Regulatory reform

As part of his effort to reform inefficient & outdated Federal Government regulation, President Ford met with regulatory agency commissioners last month & urged them to "seriously consider the cost to American consumers of all government activities."

"My Administration is focusing public attention on the need to eliminate or minimize unnecessary controls," President Ford told the regulators. He added, "We should recognize that occasionally government policies which appear to be in the short-term public interest are in fact detrimental to long-term consumer interests." The President outlined 4 areas for further action of the regulatory agencies, which are exempt from Executive Branch supervision:

- Agencies should identify the costs & benefits of current & proposed regulation. The President asked the commissioners to issue a cost-to-benefit analysis of major programs that would parallel the inflation impact statements that are now required of all Federal departments & their agencies.
- Agencies should study & revise procedures to insure their responsiveness to consumer interests. This request complements an earlier Presidential directive to each Executive Branch department & agency to work with Virginia Knauer, Special Assistant to the President for Consumer Affairs, to strengthen & enlarge their agencies' efforts on behalf of consumers. Following this directive, Mrs. Knauer has been meeting with department Secretaries & agency heads to review Federal agency programs & to develop better methods of involving consumers in the government process.
- Agencies should review areas where regulatory delays occur. The President gave the agencies a goal of 6 months for completing this review & developing new ways to speed up their regulatory procedures.
- Agencies should identify areas where regulation is outdated & make changes toward deregulation. The President said that several agencies are already moving in this direction, for example: the **Civil Aeronautics Board (CAB)** [see CONSUMER REGISTER this issue].

In addition to proposing this 4-point program, the President outlined further steps he will take to promote regulatory reform, which include:

- Proposing legislation to relax or eliminate Federal controls in such areas as energy, transportation & communications. The Administration has already submitted proposed legislation to Congress which would reform regulations governing the financial industry.
- Meeting regularly with designated members of the House of Representatives & Senate to review the progress being made towards regulatory reform.

The President also said that the Antitrust Division of Justice Dept. can be expected to intervene in regulatory matters where a lack of competition & higher prices for consumers result. At the same time, the President asked the Attorney General to promote the use of antitrust prosecution to remove nongovernment barriers to competition.

Attending the meeting were commissioners representing Civil Aeronautics Board, Commodity Futures Trading Commission, Consumer Product Safety Commission, Federal Communications Commission, Federal Maritime Commission, Federal Power Commission, Federal Trade Commission, Interstate Commerce Commission, Nuclear Regulatory Commission; Securities & Exchange Commission.

Guard kids against cords

Consumer Product Safety Commission (CPSC) estimates that from July 1, 1973, through June 30, 1974, approximately 3,500 injuries associated with appliance cords & extension cords were treated in emergency rooms. Although injuries were reported in all age groups, children below the age of 5 years incurred 32% of the reported injuries, & children from 5 to 9 received 12% of the total.

Injury data based on 196 cases indicate that injuries included: burns, primarily to the mouth (40%); lacerations, punctures, contusions & abrasions (28%); fractures, strains & sprains (21%); & electric shock (8%). Ten percent of the victims were hospitalized.

A review of 68 in-depth investigations over a 3-year period indicates that children under 5, & occasionally an older child, placed extension cords in their mouths, put plugged-in appliance power supply cords in their mouths, chewed on extension cords & appliance cords & also pulled on cords, causing the appliance to fall & hit them or spill its contents on them.

Older children often had difficulty separating a tight connection between the extension cord receptacle & the appliance cord, causing them to use their mouths & teeth for a better grip. As the connection separated, the child's lips or mouth contacted the prongs on the plug, or the saliva established a path for the current to flow, resulting in electrical burns.

Cleaning products

Consumer Product Safety Commission's (CPSC) consumer deputies soon will begin a 3-month nationwide survey of retail stores to check compliance with Federal labeling & packaging regulations for such household products as drain cleaners, oven cleaners & lye products.

These products contain sodium or potassium hydroxide (or both) which may cause severe internal damage if swallowed & may injure skin by chemical burns.

Under Poison Prevention Packaging Act regulations, manufacturers must use child-resistant packaging for dry substances containing 10% or more sodium &/or potassium hydroxide or for liquid, paste or aerosol products containing 2% or more sodium &/or potassium hydroxide. Under the Federal Hazardous Substances Act, cautionary labeling is required for these products.

Consumer mailing list

Federal Aviation Administration (FAA) is establishing a consumer mailing list to help get the public more involved in the agency's regulatory & planning activities. The list will be used to alert interested individuals & consumer groups of upcoming hearings, meetings, conferences & rule-making activities. These items are regularly announced in the *Federal Register* (& summarized in CONSUMER REGISTER).

FAA is the Federal agency charged with aviation safety, & it regulates the certification of aircraft, airmen, airports & airways.

Consumers who wish to be included on the mailing list should clip the form (left), fill in address & mail to:

Federal Aviation Administration
Community & Consumer Liaison Div., AIS-400
800 Independence Ave., S.W.
Washington, D.C. 20591

(Those representing an organization should include on a separate sheet a description of the organization & membership to enable FAA to better meet their specific needs.)

Save more energy

National Bureau of Standards (NBS) has published a booklet to help homeowners save money & energy by heating & cooling their homes more efficiently. The publication contains step-by-step directions on how to calculate the amount of insulation, storm windows & doors, weather stripping & caulking that should be added to each home.

According to NBS, consumers who make a balanced combination of energy-saving improvements will get the largest possible net savings on their heating & cooling expenses. The booklet contains temperature zone maps, computation tables & worksheets.

To order *Planning Home Improvements for Energy Conservation* (# 349C), send 70¢ to Consumer Information, Pueblo, CO 81009.

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